



City of Santa Barbara
Airport Department

Memorandum

DATE: August 20, 2014
TO: Airport Commission
FROM: Hazel Johns, Airport Director 
SUBJECT: Fiscal Year 2014 Year-End Review

RECOMMENDATION: That Airport Commission receive the preliminary Fiscal Year 2014 Year-End Financial Report.

Discussion:

The interim financial statements are presented with a discussion of where the actual revenues and expenditures might finish at year end; they are still subject to change as final adjustments are made for purposes of preparing the City's annual audit and annual financial report.

Revenues

Airport Department preliminary year-end operating revenue is 1.7% below budget at \$15,488,178.

Commercial/Industrial revenue is 6.3% **below target** at \$4,190,885, primarily due to vacancies at two major properties, which have resulted in a monthly loss of revenue of \$24,175. One of these properties has been rented for FY 2015.

Non-Commercial includes the rental received from the Fixed Base Operators, air freight operators, Ampersand, and other general aviation users and is **9.1% below target** due to an artificial increase of budgeted revenue related to unanticipated increases from the Budget Office.

The **Airline Terminal** revenues are **4.1% below target** due to disparities in parking revenues.

Commercial Aviation revenue, Airline Terminal building rental and landing fees for the commercial airlines and airfreight, is **8.6% above** projections due to rates negotiated with the airlines.

Other revenue is above budget with interest being 7.2% above target, the TSA reimbursement is up due to timing of reimbursements, and reimbursement of a half-time maintenance staff person for the rental car QTA.

Revenues	Annual Budget	YTD Actual	Remaining Balance	Percent of Variance
Commercial/Industrial	4,472,500	4,190,885	(281,615)	-6.3%
Non-Commercial Aviation	1,981,929	1,801,414	(180,515)	-9.1%
Terminal	5,103,964	4,894,003	(209,962)	-4.1%
Commercial Aviation	3,939,000	4,278,204	339,204	8.6%
Interest	111,100	119,140	8,040	7.2%
Other	142,600	204,533	69,973	27.6%
Total Revenues	15,751,093	15,488,178	(262,915)	-1.7%

Expenditures

Overall Departmental operating expenses are 6% below budget at \$15,618,545.

Expenses	Annual Budget	YTD Actual	Encumbrances	Remaining Balance	Percent of Variance
Salaries & Benefits	5,500,302	5,016,335		483,967	-10%
Materials, Supplies & Services	7,748,566	7,392,276	75,577	280,713	-3.6%
Special Projects	563,000	464,952		98,048	-21%
Transfers-Out	764,360	764,360		0	0%
Debt Service	1,817,106	1,823,905		(6,799)	0%
Equipment	82,358	50,406	30,734	1,218	-2%
Appropriate Reserves	95,839			95,839	
Total Expenses	16,571,531	15,512,234	106,311	952,985	-6%

Salaries and Benefits are 10% below budget with vacant positions in Administration, Maintenance, Business and Properties, Patrol, and Certification and Operations. Patrol vacancies are being covered with overtime and hourly employees.

The Airport tracks **Materials, Supplies and Services** in four categories: overall supplies and services, ARFF, Engineering reimbursement, and Allocated costs. A variance of 3.6% below budget is found for overall supplies and services. This item would be reduced by a further \$109,276 for a water refund in FY 2014; however, the refund was received and credited in FY 2015. **ARFF** costs were \$77,791 below budget. **Engineering and Allocated Costs** will remain within the budgeted amounts.

Transfers out were made to the T-hangar fund and for the upgrade of the Airport website, Goleta Slough Mouth Biological Assessment, replacement of the City's financial system, and the Runway 15R-33L Pavement Rehab project.

Debt Service for the Airline Terminal project is included in the budget and payments were made in December and June.

Summary

Once the final accounting has been posted, the Airport will have used approximately \$130,000 in reserves; due to the timing of the water refund, this amount would otherwise be reduced to a reserve usage of \$21,000.

CITY OF SANTA BARBARA
Airport Operating Fund
Financial Report

For Month Ended 6/30/14 (100% of Fiscal Year)
Jun-14

100.00%

Operating Revenue		Actual 12 month 2013	Revised Budget with carry-forwards 2014	Adopted Budget 2014-100% of Fiscal Year	Actual 2014	Variance \$	Variance %
Leases							
	Commercial & Industrial	\$ 4,383,325	\$ 4,472,500	\$ 4,472,500	\$ 4,190,885	\$ (281,615)	-6.3%
	Non-Commercial Aviation	1,710,597	1,981,929	1,981,929	1,801,414	\$ (180,515)	-9.1%
Terminal							
	Rental Cars(inc land lease for QTA)	1,806,674	1,835,430	1,835,430	\$ 1,936,745	101,315	5.5%
	Parking	2,777,775	3,013,534	3,013,534	\$ 2,700,614	\$ (312,920)	-10.4%
	Concessions	247,595	255,000	255,000	\$ 256,643	1,643	0.6%
	Terminal sub-total	\$ 4,832,044	\$ 5,103,964	\$ 5,103,964	\$ 4,894,003	\$ (209,962)	-4.1%
Commercial Aviation							
	Building	2,250,772	2,271,000	2,271,000	\$ 2,510,832	239,832	10.6%
	Landing Fees	1,386,193	1,350,000	1,350,000	\$ 1,478,112	128,112	9.5%
	Landing Fees (Freight/Charter)	45,037	42,000	42,000	\$ 53,899	11,899	28.3%
	Boarding bridges	277,678	276,000	276,000	\$ 235,361	\$ (40,639)	-14.7%
	Commercial aviation sub-total	\$ 3,959,680	\$ 3,939,000	\$ 3,939,000	\$ 4,278,204	\$ 339,204	8.6%
Total Leases		\$ 14,885,646	\$ 15,497,393	\$ 15,497,393	\$ 15,164,505	\$ (332,888)	-2.1%
Other							
	Interest Income	127,342	111,100	111,100	\$ 119,140	8,040	7.2%
	TSA Reimbursement	103,911	116,000	116,000	\$ 126,720	10,720	9.2%
	Rental Car QTA Reimburse	-	-	-	\$ 42,678	42,678	
	Other	32,448	26,600	26,600	\$ 35,135	8,535	32.1%
	Other sub-total	\$ 263,701	\$ 253,700	\$ 253,700	\$ 323,673	\$ 69,973	27.6%
Total Operating Revenue		\$ 15,149,347	\$ 15,751,093	\$ 15,751,093	\$ 15,488,178	\$ (262,915)	-1.7%
Operating Expenses							
	Salaries & Benefits	4,875,476	5,500,302	5,500,302	\$ 5,016,335	\$ (483,967)	-10%
	Furlough Savings	(14,305)	-	-			
	Supplies & Services	3,292,517	4,019,760	4,019,760	\$ 3,834,580	\$ (185,180)	-5%
	ARFF	1,843,403	1,973,796	1,973,796	\$ 1,888,364	\$ (85,432)	-5%
	Engineering	316,199	328,648	328,648	\$ 318,548	\$ (10,100)	-3%
	Special Project	642,239	563,000	563,000	\$ 464,952	\$ (98,048)	-21%
	Equipment	51,564	82,358	82,358	\$ 81,140	\$ (1,218)	-2%
	Allocated Costs	1,374,403	1,426,362	1,426,362	\$ 1,426,362	0	0%
	Appropriated reserves	95,839	95,839	95,839	\$ (95,839)		
Total Operating Expenses		\$ 12,381,496	\$ 13,990,065	\$ 13,990,064.89	\$ 13,030,280.42	\$ (959,784)	-7%
	Net operating gain / (loss)	\$ 2,767,851	\$ 1,761,028		\$ 2,457,898		
Debt Service-Tfrs out		\$ 1,740,684	\$ 1,817,106	\$ 1,817,106	\$ 1,823,905	\$ 6,799	0%
Capital Tfrs out		\$ -	\$ 764,360	\$ 764,360	\$ 764,360	\$ -	0%
Total Expenses		\$ 1,027,167	\$ (820,438)	\$ 16,571,531	\$ 15,618,545	\$ (952,985)	-6%
Net Gain/(Loss)					\$ (130,367)		

Includes \$17K rollover